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**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

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<b>COMMONWEALTH EDISON COMPANY</b>	:	
	:	
Proposed general increase in electric rates,	:	No. 05-0597
general restructuring of rates, price unbundling	:	
of bundled service rates, and revision of other	:	
terms and conditions of service	:	
	:	
	:	

**Rebuttal Panel Testimony of**

**T.J. Brookover**  
**The John Buck Company**

**and**

**Kristav M. Childress**  
**GEV Corp.**

**on behalf of**

**The Building Owners and Managers Association Of Chicago**

1     **INTRODUCTION**

2     Q.     Mr. Brookover, please state your name, business address and title.

3     A.     My name is T.J. Brookover. My business address is The John Buck Company,  
4           One N. Wacker Drive, Suite 2400, Chicago IL, 60606. My title is Senior Vice  
5           President & Director of Property Management.

6     Q.     Mr. Childress, please state your name, business address and title.

7     A.     My name is Kristav M. Childress. My business address is GEV Corp., 360 N.  
8           Michigan Avenue, Suite 1005, Chicago, IL 60601. My title is Technical  
9           Director.

10    Q.     Are you the same T.J. Brookover and Kristav M. Childress who submitted direct  
11           panel testimony on behalf of the Building Owners and Managers Association of  
12           Chicago (“BOMA/Chicago” or “BOMA”) in this docket?

13    A.     Yes.

14    **PURPOSE OF TESTIMONY**

15    Q.     What is the purpose of your rebuttal panel testimony?

16    A.     The primary purpose of our rebuttal panel testimony is to respond to the rebuttal  
17           testimony of Commonwealth Edison Company (“ComEd”) witnesses Mr. Paul  
18           Crumrine and Dr. John Landon. (ComEd Exhibits 23.0 and 15.0). These ComEd  
19           witnesses testified in opposition to our direct panel testimony which contended that  
20           ComEd’s proposed tariffs should not be adopted unless they are substantially  
21           revised to protect BOMA members and other electricity consumers from rate shock  
22           and other negative impacts. (BOMA Exhibit 1.0). In addition to responding

critically to the testimony of Mr. Crumrine and Dr. Landon, we also respond favorably to the rebuttal panel testimony of ComEd witnesses Messrs. Lawrence Alongi and Timothy McInerney. These ComEd witnesses testified in support of the proposed modifications to ComEd's proposed Rider Resale which we made in our direct testimony. (ComEd Ex. 24.0, pg. 24, ll. 604-628).

Q. Please summarize your proposals in this docket that ComEd witnesses have challenged.

A. ComEd has, among other things, proposed to: (1) eliminate its bundled rate Rider 25 which is currently available to nonresidential consumers who heat their facilities with electricity ("nonresidential space heating consumers") (ComEd Ex. 9.0, Corr., pp. 21-22, ll. 479-483); and (2) consolidate its current wide variety of customer classes for delivery service into a small number of delivery service classes. (ComEd Ex. 9.0 Corr., pp. 21-22, ll. 479-483, pg. 33, ln. 725). BOMA has demonstrated that ComEd's proposed tariff changes will cause much larger increases in electricity charges to nonresidential space heating consumers and consumers with peak monthly demands greater than 10 megawatts ("over 10 MW consumers") than the increased charges for ComEd's other consumers. (BOMA Ex. 1.0, pg. 10, ll. 207-213, pg. 13-14, ll. 286-289). The proposed increases for nonresidential space heating and over 10 MW consumers are so large that there would be substantial rate shock for these two groups of consumers.

To address the disproportionate impact on nonresidential space heating and over 10 MW consumers, we proposed several changes to ComEd's proposed tariffs designed to make the increased charges to these consumers comparable to the

46 increased charges for other consumers. (BOMA Ex. 1.0, pg. 11, ll. 237-241, pg. 14,  
47 ll. 292-299).

48 **NONRESIDENTIAL SPACE HEATING CONSUMERS**

49 Q. ComEd witness Mr. Crumrine testifies that your claim that ComEd has not provided  
50 a specific cost study for nonresidential space heating consumers to show that  
51 special treatment is not justified in ComEd's delivery service rates for these  
52 consumers is a "red herring. " (ComEd Ex. 23.0 pg. 34, ln. 734). How do you  
53 respond?

54 A. ComEd witness Mr. Crumrine acknowledges that ComEd has not maintained the  
55 data necessary to perform such a cost study. (ComEd Ex. 23.0, pg. 35, ll.739-740).  
56 This is no "red herring." In fact, it is incredible that ComEd is proposing the  
57 elimination of such an important rate as Rider 25, which has been in effect for more  
58 than thirty years, without providing a study comparing the costs of providing  
59 delivery services for nonresidential space heating consumers versus the costs of  
60 providing delivery services to nonresidential non-space heating consumers.  
61 Although Mr. Crumrine claims that consumer end-use is not relevant in determining  
62 delivery service costs, the fact is that electric load patterns vary for consumers who  
63 use electricity for different purposes. The key issue is how nonresidential space  
64 heating consumers impact ComEd's investment in its electricity delivery system.  
65 Without a cost study, there simply is no way to analyze this impact.

66 Q. ComEd witness Mr. Crumrine contends that the loss of ComEd's nonresidential  
67 space heating tariff is a "supply-related" impact that should not be addressed

68 through delivery service tariffs. (ComEd Ex. 23.0, pg. 32, ll. 685-686). Do you  
69 agree?

70 A. No. ComEd's Rider 25 provides an exemption from demand charges for both  
71 supply and delivery of electricity used for space heating. Our proposed exemption  
72 from demand charges in ComEd's delivery services tariffs merely preserves the  
73 same exemption from demand charges for ComEd's delivery of electricity.  
74 ComEd's method of setting charges for electricity supply post-2006 was already  
75 determined by the Commission (subject to appeal) in ICC Docket No. 05-0159.

76 Q. ComEd witness Mr. Crumrine also claims that BOMA's proposal to exempt  
77 nonresidential space heating consumers from space heating demand charges sends  
78 an inappropriate price signal and creates a subsidy that must be funded by other  
79 consumers. (ComEd Ex. 23.0, pg. 32, ll. 688-692). How do you respond to this  
80 testimony?

81 A. As shown in our direct testimony which was unchallenged by Mr. Crumrine and  
82 ComEd's other witnesses, our proposal would make the overall rate increase for  
83 nonresidential space heating consumers comparable to the overall rate increases for  
84 nonresidential non-space heating consumers. (BOMA Ex. 1.0, pg. 12, ll. 252-255).  
85 As is further discussed in the rebuttal testimony of BOMA witness Mr. David  
86 McClanahan, ComEd has not been able to cost justify not having separate delivery  
87 service rate treatment for nonresidential space heating consumers. (BOMA Ex. 4.0,  
88 pg. 1, ll. 18-27, pp. 2-3, ll. 43-66). Unless and until ComEd can do so, ComEd's  
89 claim that our proposal would create a subsidy funded by other consumers has no  
90 merit.

91 Q. How do you respond to ComEd witness Dr. Landon's suggestion that Rider 25's  
92 exemption of demand charges for space heating demand is "merely a convenient  
93 pricing structure with which to recover total costs?" (ComEd Ex. 15.0, pg. 10, ll.  
94 218-219).

95 A. It was not clear to us why Dr. Landon believed that the exemption on space heating  
96 demand under Rider 25 was merely a convenient pricing structure with which to  
97 recover total costs. Therefore, BOMA submitted a data request (BOMA Data  
98 Request 3.02) to ComEd to obtain an answer this question. ComEd's response to  
99 this data request, which is attached to this testimony as BOMA Exhibit 3.1, includes  
100 the following statement:

101 A discount for off-peak consumption may make sense when the increase in  
102 consumption does not cause new capacity to be built and is seen as a means  
103 of improving load factors. This appears to have been the rationale for Rider  
104 25 which exempted non-residential space heating customers from paying  
105 demand charges during non-summer months. (BOMA Ex. 3.1).

106  
107 Like Rider 25, our proposed delivery services tariff exemption of  
108 nonresidential space heating consumers from paying demand charges for electricity  
109 used for space heating will not cause new capacity to be built and will still enhance  
110 the load factor of ComEd's system. Consequently, the same rationale which  
111 ComEd used to justify Rider 25 can also be used to support our proposal.

112 Q. How do you respond to ComEd witness Dr. Landon's complaint that BOMA's  
113 proposal "seeks to establish a structural remedy" for the large electricity rate  
114 increases projected for nonresidential space heating consumers? (ComEd Ex. 15.0,  
115 pg. 11, ll. 239-240).

116 A. BOMA proposes a structural remedy to a structural problem. The fact that  
117 nonresidential space heating consumers cannot economically replace their electric  
118 heating systems is a fact that ComEd does not challenge. (BOMA Ex. 1.0, pg. 11, ll.  
119 230-233). Therefore, BOMA has proposed an appropriate structural remedy to  
120 ComEd's proposed delivery service tariffs which the Commission should approve if  
121 it approves ComEd's proposal to eliminate bundled rate Rider 25.

122 Q. ComEd witness Mr. Crumrine also argues that your proposed remedy is not  
123 necessary because the rate mitigation plan approved by the Commission's Final  
124 Order in Docket 05-0159 will provide sufficient relief for the vast majority of  
125 nonresidential space heating consumers. (ComEd Ex. 23.0, pg. 33, ll. 713-717, pg.  
126 34, ll. 723-729). Do you agree?

127 A. No. The Commission's Final Order in Docket 05-0159 limited the application of  
128 the rate mitigation plan to only those nonresidential space heating consumers  
129 eligible for the CPP-B auction product (i.e., nonresidential space heating consumers  
130 with less than 400 kW of peak demand). (Docket 05-0159, Final Order, pg. 234).  
131 According to our analysis which is attached as BOMA Exhibit 3.2, ComEd's  
132 consumers with peak loads of less than 400 kW represented only 21% of the total  
133 annual demand of nonresidential space heating consumers in test year 2004.\* Large  
134 and Very Large Load nonresidential space heating consumers (i.e., those with peak  
135 monthly demand greater than 400 kW) comprised the other 79% of the total load.  
136 Therefore, the rate mitigation plan approved in Docket 05-0159 will not provide  
137 any relief from rate shock for the vast majority of nonresidential space heating

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\* Our analysis did not include High Voltage Delivery Service consumers.

consumer load. Consequently, BOMA continues to urge the Commission to direct ComEd to modify its proposed delivery services tariffs to exempt nonresidential space heating consumers from paying demand charges on electricity used for space heating.

Q. Is it your opinion that the rate mitigation plan approved in Docket 05-0159 will provide sufficient rate relief for under 400 kW nonresidential space heating consumers?

A. No. The mitigation plan adopted in Docket 05-0159 only adjusts charges to 20% or 150% of the CPP-B auction average, whichever is greater. (ICC Docket 05-0159, Final Order, pg. 225). This rate shock standard is quite high. On the other hand, our proposal would prevent rate shock by making the rate increase for nonresidential space heating consumers comparable to the rate increase for other nonresidential consumers. (BOMA Ex. 1.0, pg. 12, ll. 254-256).

#### **OVER 10 MW CONSUMERS**

Q. ComEd witness Mr. Crumrine comments that the tables on page 13 of your direct panel testimony, which show huge percentage increases in ComEd's proposed Distribution Facilities Charges ("DFCs") for over 10 MW consumers, simply "elicit optical appeal." (ComEd Ex. 23.0, pg. 28, ln. 598). Do you agree?

A. No. BOMA calculated increases in DFCs of 133% for over 10 MW consumers. (BOMA Ex. 1.0, 13-14, ll. 284-289). Illinois Industrial Energy Consumers ("IIEC") witness Mr. Bob Stephens reached the same conclusion. (IIEC Ex. 2.0, pp. 6-7, ll.146-153). The impact of these increases on delivery service rates for over 10 MW consumers is anything but merely "optical." For example, an over 10 MW



building averaging 11,000 kW of billable demand each month must pay for 132,000 kW of demand each year (12 X 11,000 kW). At the current DFC charge of \$2.34/kW applicable for over 10 MW consumers, the building would be billed total annual DFC charges of \$308,880 (132,000 kW X \$2.34/kW). ComEd's proposed DFC charge of \$5.45/kW for over 10 MW consumers would increase total annual DFC charges for this building to \$719,400 (132,000 kW X \$5.45/kW). This increase of over \$410,000 per year obviously would be a huge rate shock for the building.

Q. ComEd witness Mr. Crumrine also opposes BOMA's proposal that the Commission direct ComEd to maintain its current practice of providing a high voltage credit through Rider HVDS to high voltage consumers who take service at 69,000 volts (rather than establish a separate rate class for these consumers) and continue spreading the effects of revenue lost as a result of this high voltage credit to all nonresidential customer classes on an equal percentage basis. (ComEd Ex. 23.0, pg. 29, ln. 611). How do you respond?

A. ComEd witness Mr. Crumrine suggests that ComEd's proposal to create a separate HVDS delivery services class is comparable to ComEd's current practice of giving a HVDS credit to its high voltage consumers for a specific group of consumers. (ComEd Ex. 23, pg. 29, ll. 621-622). While the impact of these two approaches on high voltage consumers may be similar, these two approaches do not have similar impacts on non-high voltage over 10 MW consumers, as evidenced by the 133% rate increase to non-high voltage over 10 MW consumers under ComEd's proposal. To prevent this massive rate shock, it is critical that the Commission order ComEd

184 to maintain its current practice of providing a credit on DFCs to high voltage  
185 consumers through Rider HVDS and distributing all revenue lost as a result of this  
186 high voltage credit on an equal basis across all nonresidential customer classes.

187 **RIDER RESALE**

188 Q. BOMA raised a number of concerns regarding ComEd's proposed Rider Resale  
189 (BOMA Ex. 1.0, pp. 15-18, ll. 322-399). What was ComEd's response to the  
190 concerns raised by BOMA?

191 A. ComEd indicated that it recognized these concerns as legitimate. In order to address  
192 the concerns, ComEd indicated it would accept BOMA's proposed modifications to  
193 the language of Rider Resale if the Commission approved these changes. (ComEd  
194 Ex. 24.0, pg. 24, ll. 604-628).

195 Q. Does this satisfy BOMA's concerns regarding Rider Resale?

196 A. Yes. ComEd's acceptance of BOMA's proposed modifications to the language of  
197 Rider Resale is appreciated by BOMA. Commission approval of these  
198 modifications would address all concerns raised by BOMA regarding ComEd's  
199 proposed Rider Resale.

200 **CONCLUSION**

201 Q. Does this conclude your rebuttal panel testimony?

202 A. Yes.